

STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 1st Floor Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

CLEAN ENERGY

IN	THE	MATTER	OF	THE	UNITED	STATES)	ORDER
DEF	PARTME	ENT OF	ENER	GY –	STATE	ENERGY)	
PROGRAM - BIPARTISAN INFRASTRUCTURE LAW -)								
JUL	Y 1, 202	22 – JUNE :	30, 202	27)	DOCKET NO. QO22100660

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel **Michael Ambrosio, Director, Policy and Planning**, TRC Environmental Corporation

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities ("Board") considers the Division of Clean Energy ("DCE") 2022–2027 State Energy Program - Bipartisan Infrastructure Law ("SEP-BIL") Plan for submission to the United States Department of Energy ("USDOE"). State matching is not required for this funding.

In this Order, the Board considers Board Staff's ("Staff's") program recommendations for the establishment of the following Market Titles at the budget levels described herein: 1) Non-IOU Energy Efficiency Program; 2) Multi Unit Dwelling ("MUD") EV Charger Incentive Program for Non-IOU Customers; and 3) Municipal Light-Emitting Diode ("LED") Streetlights Program for Non-IOU Customers.

BACKGROUND AND PROCEDURAL HISTORY

The SEP was established in 1996 by consolidating two (2) existing programs: 1) the State Energy Conservation Program ("SECP"); and 2) the Institutional Conservation Program ("ICP"). Both the SECP and ICP were established during the energy crisis of the early 1970s when there was an increase in the United States' dependence on foreign oil. Congress responded with legislation establishing a broad range of conservation programs, supporting the development of new and more efficient sources of energy, and requiring the USDOE to lead and administer the conservation effort. The SECP was established under the Energy Policy and Conservation Act of 1975, which provided funding to states for a variety of energy efficiency ("EE") and renewable

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¹ 61 Fed. Reg. 35,890 (July 8, 1996).

energy activities.² The ICP provided schools and hospitals with technical analyses of their buildings and identified the potential savings from proposed energy conservation measures.³ In creating the SEP, the USDOE combined the SECP and ICP to make it easier for states to apply for grants and to enable both the USDOE and the states to more efficiently manage the grants.⁴ Thus, the USDOE currently provides federal financial assistance and technical support to the states for energy programs by means of the SEP.⁵ The SEP seeks to promote the efficient use of energy and reduce the rate of growth of energy demand through the development and implementation of specific state energy programs. States must comply with USDOE rules governing these financial awards.

The Infrastructure Investment and Jobs Act of 2021, also known as the Bipartisan Infrastructure Law ("BIL"), authorized the United States Congress to appropriate \$500,000,000 for SEP formula awards. USDOE has allocated \$9,847,540⁷ to the State of New Jersey for the five (5) years spanning 2022–2027. New Jersey may reallocate funds throughout the five-year duration of the grant for allowable uses of the funds with USDOE approval of each modification.

STAFF RECOMMENDATIONS

The 2022–2027 SEP-BIL Plan proposal aligns with the Clean Energy Act of 2018 ("CEA") and New Jersey Energy Master Plan ("EMP") goals because it would expand clean energy program offerings to customers who are not served by investor-owned electric or gas utility companies. These non-investor-owned utility ("non-IOU") customers do not pay a Societal Benefits Charge and therefore do not qualify for State-funded clean energy programs. The proposal includes funding for the following: a program that expands the eligibility of non-IOU customers for EE incentives; a program that expands the eligibility of non-IOU customers for the purchase and installation of electric vehicle ("EV") charging equipment in MUDs; and a program that expands the eligibility of non-IOU customers to retrofit municipal streetlights with LED bulbs and fixtures.

Below are the Market Titles with their respective federal program budgets for the SEP-BIL fiveyear program cycle:

Market Title: Non-IOU Energy Efficiency Program

Budget: \$6,847,540

Program Description: This program will complement New Jersey's existing EE programs and expand participant eligibility by offering financial incentives for EE measures to non-IOU customers in the residential, commercial, and industrial sectors through a program administered by New Jersey's Clean Energy Program ("NJCEP").

² ld.

³ ld.

⁴ <u>Id.</u> at 35,891.

⁵ 10 C.F.R. § 420.3.

⁶ See Pub. L. 117-58.

⁷ See State Energy Program IIJA Formula Grant Allocations: https://www.energy.gov/eere/wipo/articles/state-energy-program-iija-formula-grant-allocations

Market Title: MUD EV Charger Incentive Program for Non-IOU Customers

Budget: \$1,500,000

Program Description: This program will complement New Jersey's existing MUD EV Charger Incentive Program, which is designed to encourage owners and operators of MUDs to provide EV chargers for residents and guests.⁸ Awards available under the MUD EV Charger Incentive Program include \$4,000 toward the purchase of a dual-port, networked, Level-Two EV charging station and \$6,000 toward the purchase of said charger for a MUD located in an overburdened municipality. Currently, only IOU customers are eligible to receive awards under this program. The SEP-BIL program will expand participant eligibility by offering incentives to non-IOU customers to support the purchase and installation of eligible Level-Two EV charging equipment.

Market Title: Municipal LED Streetlights Program for Non-IOU Customers

Budget: \$1,500,000

Program Description: This program will complement New Jersey's Municipal LED Streetlights Program, as provided for in the NJCEP Fiscal Year 2023 Compliance Filing, which will allocate grant funding for municipalities to meet the upfront costs of converting traditional streetlights to dark-sky-compliant LED streetlights. The SEP-BIL program will expand participant eligibility by offering grant funding to municipalities not served by investor-owned utility companies.

DISCUSSION AND FINDINGS

The Board <u>HEREBY FINDs</u> that the 2022–2027 SEP-BIL Plan, as detailed above, will contribute to conservation of energy, reduce the rate of growth of energy demand and resource dependence on oil, and advance State and federal energy conservation and efficiency goals. Accordingly, the Board <u>HEREBY APPROVES</u> the SEP-BIL Plan and budget of \$9,847,540 in federal funds. The Board <u>HEREBY DIRECTS</u> Staff to submit the 2022–2027 SEP-BIL Plan application to the USDOE on behalf of the Board as proposed and to take appropriate measures to implement such programs subject to and consistent with the USDOE's approval of the plan, as well as to make adjustments to market title budgets if determined appropriate. The Board <u>HEREBY AUTHORIZES</u> the President of the Board or his designee to sign the necessary documents to submit as part of a complete 2022–2027 SEP-BIL Plan to the USDOE for approval.

⁸ In re New Jersey Clean Energy Program Fiscal Year 2022 Community Energy Planning, BPU Docket No. QO21091113, Order dated October 6, 2021.

The effective date of this Order is December 14, 2022.

DATED: December 7, 2022

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I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE UNITED STATES DEPARTMENT OF ENERGY – STATE ENERGY PROGRAM – BIPARTISAN INFRASTRUCTURE LAW – JULY 1, 2022 – JUNE 30, 2027

DOCKET NO. Q022100660

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